

KATE McKENNA, AICP
Executive Officer

DRAFT MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
Adopted October 23, 2006

Regular Meeting
Monday, September 25, 2006, 4:00 p.m.
Board of Supervisors Chambers
Monterey County Government Center
168 West Alisal, First Floor
Salinas, California

The meeting of the Local Agency Formation Commission (LAFCO) of Monterey County was called to order by Chair Perkins at 4:08 p.m. in the Monterey County Board of Supervisors Chambers. Commissioner Darington led the Pledge of Allegiance.

ROLL CALL

Members Present

Chair Tom Perkins, *(Special District Member)*
Commissioner Rubio, Vice-Chair, *(City Member)*
Commissioner Caballero, *(City Member)*
Commissioner Calcagno, *(County Member)*
Commissioner Darington, Alternate *(Public Member)*
Commissioner DiMaggio *(Public Member)*
Commissioner Gourley, Alternate *(City Member)*
Commissioner McGowan *(Special District Member)*
Commissioner Shirrel, Alternate *(Special District Member)*
Commissioner Smith *(County Member)*

Members Absent

Commissioner Armenta, Alternate *(County Member)*

Staff Present

Kate McKenna, AICP, Executive Officer
Thomas A. McCue, AICP, Senior Analyst
Elliot Mulberg, Senior Analyst
Kathy Reimer, LAFCO Counsel
Rachelle Jones, LAFCO Clerk

Item 4: Minutes

4.a Approval of Minutes of the July 24, 2006 Regular LAFCO Meeting.

Upon Motion of Commissioner Calcagno, seconded by Commissioner Rubio, minutes of the June 24, 2006 Regular LAFCO meeting were unanimously approved.

Item 5: Public Comment:

Hans Jongens spoke about the recent e-coli outbreak.

Item 6: Commissioner Comment:

None

Item 7 (a-c): Consent Agenda:

Executive Officer McKenna provided staff report.

Upon Motion of Commissioner Calcagno, seconded by Commissioner McGowan, consent agenda items: Accept Check Registers for July and August 2006, Receive List of Anticipate Future Agenda Items, and Amendments to the Following Professional Services Agreements: (1) Golden State Planning and Environmental Consulting (General Professional Services); (2) Pacific Municipal Consultants (General Professional Services); (3) Ventures West (Incorporation Service Plan); (4) Economic & Planning Systems (Incorporation Fiscal Analysis), and (5) Pacific Municipal Consultants (Incorporation CEQA Analysis), were unanimously approved.

Item 8: Public Hearings

**8.a (1) Continued Consideration of the Carmel Valley Incorporation Proposal
(LAFCO File No. 03-10)
Consider Status Report and Final Public Hearing Schedule, and**

Executive Officer McKenna provided status report.

Chair Perkins opened item to the floor.

Public Comment

Attorney, Frank Lunding, urged the Commission to direct Executive Officer McKenna regarding issues with the incorporation proposal prior to the October 18 special public hearing. Joan Bizzozero asked that the special hearing be held in Carmel Valley for convenience to those that wish to attend. Melvin Steckler asked that the total of the surveys that have been mailed into LAFCO be taken into consideration. John Dalessio spoke in support of the incorporation. Paul Ingram suggested that Commission unanimously agree to allow proposal to go to a vote.

Executive Officer McKenna addressed Mr. Lunding's comments and assured him that LAFCO was in close contact with Best, Best, and Krieger regarding environmental and other concerns. She also addressed Mrs. Bizzozero's concerns regarding the location of the public hearing. She explained that the Board of Supervisors Chambers has superior equipment to support such a

meeting and that there will be a public meeting in Carmel Valley, however it will not be an opportunity for a public hearing.

Chair Perkins closed item to the floor.

Commission Action

Upon Motion of Commissioner Smith, and seconded by Commissioner Caballero, Staff recommendations 1,2, and 3 of the status report and timeline for the Carmel Valley Incorporation Proposal (*LAFCO File #03-10*), were unanimously approved.

**8.a (2) Continued Consideration of the Carmel Valley Incorporation Proposal
(*LAFCO File No. 03-10*)**

Consider Report from Ad-Hoc Incorporation Cost Committee.

Chair Perkins provided report.

Chair Perkins opened item to the floor.

Public Comment

Max Chaplin commented on the cost disagreement of \$16,968 between the LAFCO Cost Committee and the Carmel Valley Forum, and asked that the amount be waived. Joan Bizzozero disagreed with any waiving of costs for this proposal.

Chair Perkins closed item to the floor.

Commissioner Comment and Action

Commission discussed the cost amount that was at issue.

Upon Motion of Commissioner Calcagno, and seconded by Commissioner Rubio, the additional payment reduction of \$16,968 requested by the proponents for the Carmel Valley Incorporation Proposal was denied, and the recommendations of the Cost Committee were approved, by the following vote:

AYES: Commissioners Calcagno, Rubio, Caballero, DiMaggio, Perkins, and Smith
NOES: Commissioner McGowan
ABSTAIN: None

**8.b Consider Proposal Submitted by CHISPA to Annex 5.05 Acres to the San Lucas Water District and 5.88 Acres to South Monterey County Fire Protection District to Provide Water, Sewer, and Fire Protection Services to a 100% Affordable Housing Subdivision. The Proposed “CHISPA Valley View Reorganization” is Located on the Eastern Edge of the Community of San Lucas, Northeast of the Intersection of Highway 198 and Main Street, in the Unincorporated County of Monterey Jurisdiction. (*LAFCO File No. 06-08*)
(NOTE: Item will be continued to LAFCO Meeting of October 23, 2006)**

Executive Officer McKenna provided explanation of need for continuance.

There was no public comment for this item.

Commissioner Comment and Action

Commissioner Caballero requested that items be agendized and brought to hearing only after all necessary items have been completed.

Upon Motion of Commissioner Caballero, seconded by Commissioner DiMaggio, Proposal Submitted by CHISPA to Annex 5.05 Acres to the San Lucas Water District and 5.88 Acres to South Monterey County Fire Protection District to Provide Water, Sewer, and Fire Protection Services to a 100% Affordable Housing Subdivision. The Proposed “CHISPA Valley View Reorganization” is Located on the Eastern Edge of the Community of San Lucas, Northeast of the Intersection of Highway 198 and Main Street, in the Unincorporated County of Monterey Jurisdiction, was unanimously continued to a future hearing to be determined once property tax transfer agreement has been completed.

8.c Consider Proposed Revisions to Sphere of Influence and Annexation Policies to Address Regional Traffic Impact Mitigation and Urban Development Patterns.

Executive Officer McKenna provided staff report.

Chair Perkins opened item to the floor.

Public Comment

Hans Jongens said that he doesn't feel that we should pay for past mistakes with taxes and transportation issues. Wendy Elliot, project manager with Porte Homes, urged Commission adoption of the policies.

Chair Perkins closed item to the floor.

Commissioner Comment and Action

Commissioner DiMaggio spoke to item 2 of the policies, and explained that each city would need to come to LAFCO with their own policy that suits each city best. Commissioner Rubio questioned whether, due to the nature of the policies, there would be a need for two public hearings. Commissioner Calcagno spoke in support of the policies. Commissioner Darington asked for clarification of the policies. Commissioner McGowan commented on the mitigation fees. Commissioner Smith questioned whether these policies conflict with existing laws. Commissioner Caballero asked to speak to cities regarding these policies prior to action being taken on them. Commissioner Shirrel questioned whether these policies were overstepping LAFCO's bounds. Counsel Reimann clarified LAFCO has the necessary authority.

Upon motion of Commissioner Calcagno, seconded by Commissioner Smith, Proposed Revisions to Sphere of Influence and Annexation Policies to Address Regional Traffic Impact Mitigation and Urban Development Patterns, was unanimously continued to a closed hearing at the October 23, 2006 Regular LAFCO meeting with Commissioner Caballero to bring policies to the City Selection Committee meeting to discuss with the cities.

Item 10: New Business

10.a Authorize Comments on County of Monterey Draft General Plan.

Executive Officer McKenna provided report.

There was no public comment on this item.

Upon motion of Commissioner McGowan, seconded by Commissioner Calcagno, LAFCO Comments on County of Monterey Draft General Plan, were unanimously approved.

10.b Consider LAFCO Financial Status Report, Acceptance of FY 05-06 Financial Report, and Adoption of Proposed Financial Policies.

Executive Officer McKenna provided report.

There was no public comment on this item.

Commissioner Comment and Action

Commission discussed proposed financial policies pertaining to establishing a general reserve and obtaining a line of credit for emergencies.

Upon Motion of Commissioner Rubio, and seconded by Commissioner Smith, Year-End Financial Report for FY 2005-06, establishing a reserve in the amount of 25% of annual budget at 5% per year, and to explore a dry period loan with the County of Monterey, was unanimously approved.

10.c Consider LAFCO Office Space Needs.

Executive Officer McKenna provided report.

There was no public comment on this item.

Commissioner Rubio recused himself due to a conflict of interest.

Commissioner Comment and Action

Commission discussed LAFCO Office space needs including possibility of entering into an agreement with AMBAG to relocate to the Imjin Parkway Office complex.

Upon Motion of Commissioner Caballero, and seconded by Commissioner Gourley, direction was given to Executive Officer that she may continue working with AMBAG and report to them the direction of the Commission, but LAFCO will not submit a letter of intent at this time, and to continue exploration of office space needs and supply further information to the Commission in Spring of 2007.

10.d Receive Report on 2006 CALAFCO Conference.

Executive Officer McKenna provided informational report.

Item 11: Executive Officer's Report

Executive Officer McKenna reported that she had been asked by AMBAG to provide a letter of support for a blueprint grant application. The grant encourages various regions to work together.

Item 12: Correspondence

None

Commissioners Gourley and Shirell left prior to Closed Session.

Item 13: Closed Session - Under Government Code Section 54950 et.seq.

Under Government Code Section 54950 et.seq.

- a. Pursuant to Government Code Section 54956.9 (a) – Existing Litigation
The Commission Conferred with Legal Counsel Regarding the Following Item:
Save Our Waterfront Committee VS. City of Monterey; City Council of the City of Monterey; Local Agency Formation Commission of Monterey County, et al.,
Respondents & Defendants:
Cannery Row Marketplace, LLC, et al., Real Parties in Interest – Superior Court
Case Number M78054
- b. Pursuant to Government Code Section 54956.9 (a) – Existing Litigation
The Commission Conferred with Legal Counsel Regarding the Following Item:
William Sims, Mark Splinder, Sharon Waller, and Valley Volunteers, Inc.
(Petitioners) VS. Monterey County Local Agency Formation Commission also
known as LAFCO of Monterey County (Respondent) – Superior Court Case
Number M79069

Chair Perkins moved that Commission and LAFCO Counsel meet in closed session to discuss items 13.a and b.

Commission reconvened in open session. It was reported that direction was given to the Executive Officer regarding a closed session item.

Item 14: Adjournment

On motion of Chair Perkins, there being no objection, the meeting was adjourned at 6:19 p.m. to a Special LAFCO public hearing to be held on Wednesday, October 18, 2006 at 6:00 p.m. in the Board of Supervisors Chambers, 168 W. Alisal St., First Floor, Salinas, California.

Respectfully Submitted,

Rachelle Jones
LAFCO Clerk